



King County
Always at your service

Department of Assessments

Fair, equitable, and understandable property valuations



Lloyd Hara
King County Assessor

Property Tax Deferral

for Homeowners with Limited Income

Program Overview

For taxpayers needing assistance in paying their property taxes, the State of Washington Department of Revenue has a program that may help you pay your property taxes and/or special assessments.

Eligibility Requirements

- ❖ You must own and occupy the home (You must own the home for a minimum of **five years**). The home must be your primary residence when you apply for the deferral and you must live there for more than **six months** during that year and subsequent year.
- ❖ You must have a **40% equity limit** and a annual household disposable income of **\$57,000 or less**
- ❖ The **first half property tax installment** due for the year must be already paid
- ❖ File the Limited Income Deferral Application by **September 1st**
- ❖ Ownership in Co-ops, trusts, and life estates **do not** qualify for a limited income deferral
- ❖ Reimbursement of the deferred property taxes with interest accrued must be made upon the sale or transfer of the property.

Equity is the difference between the assessed value of the property and any debts secured by the property.

Debts include mortgages, lines of credit, special assessments, and any other liens against the property. The taxes deferred cannot exceed **40 percent** of your equity

If these minimum requirements are met, you will:

- ❖ You will pay the **first half tax** installment – Due on **April 30th**
- ❖ The **second half tax** installment will be the deferral-paid by the State of Washington – Due on **October 31st**
- ❖ There is a **3% interest rate** for the second half deferred amount.

Laws and Rules

Revised Code of Washington (RCW)
Chapter 84.37 – Property Tax Deferral Program

Washington Administrative Code (WAC)
Chapter 458-18A – Limited Income Deferral Program



Household Income

Your annual household disposable income may not exceed **\$57,000**. Household income includes the combined disposable income of you, your spouse or domestic partner, and any co-tenants. A co-tenant is a person who lives in your home and has an ownership interest in your home.

Please note that disposable income is not the same as taxable income, which is used for federal income tax purposes.

Frequently Asked Questions?

Q. What is the interest rate?

The rate of interest for the deferral is based on an average of the federal short-term rate, plus an additional two percent. Property tax deferrals made in 2011 will have an interest rate of **3 percent**.

Q. What can I do if my deferral request was denied?

If your application for a property tax deferral was denied, we will provide a notification detailing the reason for the denial. If you feel your application has been denied in error, you may contact us at **206-296-7300** or you may appeal our decision to the King County Board of Equalization **206-296-3496**.

Q. When does the deferral property tax amount need to be repaid?

You can make a payment for a portion or all of the deferral balance at anytime. However, you must repay the balance of deferred taxes/special assessments and accrued interest if any of the following scenarios occurs.

- ❖ The property is condemned.
- ❖ The property owner is no longer permanently to reside at the residence.
- ❖ The property has been transferred or conveyed to another individual.
- ❖ Upon the property owner's death (Unless the surviving spouse/domestic partner meets the qualifications and decides to continue the program).

For More Information?

Contact Us	
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